

[Merchandise on the Toboggan]

Life Stories Feb 1940

MERCHANDISE ON THE TOBOGGAN

A Depression Victim Story

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MERCHANDISE ON THE TOBOGGAN

"I don't think there is the least doubt about a general improvement in business." Said William Anderson, who is the head at the firm that bears his name. "There is much more money in circulation. People are buying new automobiles, are spending more money for pleasure and are even beginning to resume the purchase of luxuries that have been beyond their reach for the past several years. Times are gradually changing and money is beginning to drift through different channels.

"And now to start at the beginning, I was born and reared in Augusta, and obtained my elementary education at the Davidson Grammar School, which is located on the 1200 block of Telfair Street. Then for some reason I didn't attend High School in Augusta, but graduated at [Hephzibah?], Georgia. No, I didn't go to college.

"I wanted to go to work so, after my graduation I started working for my father, who was in business with a Mr. Brown. The firm at that time was known as Brown and Anderson. Dad paid me \$40.00 a month."

"This conversation seems to gather momentum as we go along," Anderson said with a grin. "Suppose we repair to 2 my little office at the rear of the store. Its small but I think you will be very comfortable." The remainder of our interview took place in the very tiny enclosure that served in this capacity. There were quite a number of interruptions, for Mr. Anderson is a busy man and his business reaches out into the trade territory adjacent to Augusta.

"I hadn't been working very long when one day my father called me into his office and said:

" 'son, before you settle down to steady work, I should like for you to travel for about a year. Look around and see if one of your friends would care to go to Europe with you.' "

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"This was not hard to do for almost immediately I found a boy who was eager to go along. And to make it more interesting we decided to use bicycles as our mode of transportation.

"In this manner we covered the ground thoroughly and we were able to come in direct contact with the natives. We thus became familiar with their manner of living, their habits, etc. That year in Europe was an education in itself.

"We soon became aware that the natives, even the French people, had a more friendly feeling for Americans than they had for Englishmen. We got our information on this point in 4 rather a unique manner:

"My friend and I purchased our bicycles and our suits in England. Consequently we were taken for Englishmen. On one occasion when we were in a French cafe, we started to converse with several Frenchmen. After quite a while we mentioned something about our home in America. When these men found we were really Americans they jumped up and shook hands with us, although they had been talking to us for quite some time.

"In Europe, all Americans are supposed to possess a lot of money. One day in Brussels, Belgium, we went into a shop to make some purchases. I saw a beautiful lace collar and immediately wanted it for my mother. I offered to pay for it in French currency.

"We can't handle that kind of money.' Said the shopkeeper.

"I then handed him a check on an English bank, with this result:

" 'We cannot cash the check!'

"You can imagine how astounded I was after, some casual remark had revealed the fact that I was an American, to hear him say with a complete change of attitude:

"You can charge the collar and send me the money when you go back to America.'

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"As the man had never laid eyes on me before you can bet 4 that I was greatly pleased to find that my countrymen enjoyed such confidence among foreigners.

"Well, for a whole year my friend and I toured Europe on our bicycles. We came back to America feeling that we had experienced a very beneficial period abroad to say nothing of the pleasure it had given us.

"After another six months my father said he was ready for me to go to work. So I again started in with his firm and stayed there for the next several years.

"In 1912 I opened my own wholesale grocery business, operating under the firm name - W. M. Anderson Grocery Company. It was rather slow [sledding?] for the first two or three years and then sales began to increase gradually.

"In 1917, which was my very best year, my gross sales amounted to \$860,000, with a net income of \$30,000. Out of that I paid the government for income taxes, excess profit taxes, etc. My total taxes for that year including - State, County and City taxes - amounted to \$10,000.

"The following year they were not so heavy, but four or five years later the government called on me again for additional taxes amounting to between \$600 and \$700. I had to borrow the money to pay this tax, because just as we had made quite a nice profit on the advancing market, we almost 5 immediately lost it on stock depreciation and on bad accounts. We really lost more on bad accounts than on depreciation of stock.

"Another thing that made our losses heavy when the markets declined was that we catered to the canteen at Camp Hancock during the War. That left us with quite a bit of merchandise on hand that was not suitable for our regular trade. This was bulk goods such as pails of jams, and jellies, and cocoa.

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"One who has never operated a business of his own can never have any idea of what shrinkage means when merchandise starts on the toboggan. Take sugar, for instance. My firm was very fortunate in having a very small stock of sugar on hand at the time of the decline and yet our loss on this commodity alone was over \$3,000.

"When sugar was advancing we were only allowed to add 35 cents per hundred as profit. But when it started down nobody helped us out on the declining market.

"Of course, the retail merchants would not buy sugar or anything else until they were entirely out, anticipating cheaper prices. As I said before, my firm was fortunate in not having a large stock of sugar on hand. There was another jobber in Augusta who told me that he had lost more on sugar alone than 6 his capital stock amounted to when he went into business in 1912.

"Conditions became so acute during that period that we would often have to contract for merchandise at the higher figures, and then, no sooner had we bought at the higher prices than the goods would begin to roll in with the market broken all to pieces.

"One time we contracted for 200 coils of rope. Just after placing that order I realized that I had probably made a big mistake. When I looked up the order I found that the salesman had failed to leave his address and I didn't know where to write to cancel the contract before the decline started.

"After the rope prices had struck bottom, in rolled the shipment. Instead of the average 35 pounds to the coil it averaged 85 pounds. I have never seen plow line rope put up in that size either before or since.

"I immediately sent one of my representatives to the mill, which proved to be not very far away, to try to make a settlement. We finally settled for \$700.00 and didn't use the shipment.

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"After that time we struggled along for three or four years, but realizing that our grocery business had become unprofitable, we decided to discontinue it and concentrate all of our efforts on something more remunerative.

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"For quite some time we had carried a separate line of wrapping paper, paper bags, notions, etc., in connection with our grocery business. A separate corps of clerks was employed for this particular line.

"After discontinuing the grocery business we organized a company which operated under the firm name of the W. M. Anderson Paper Company and carried the above mentioned commodities.

"In connection with our regular line, we also buy distress stocks of merchandise, which consists of restaurant equipment, store fixtures, and scales, etc., for resale.

"Naturally, all during the depression conditions were very trying and it was somewhat difficult to keep going. However, by patience and perseverance we have managed to hold on.

"Our come-back has been anything but spectacular, as a matter of fact it has been extremely gradual. But at least we are making a living out of it."

"Mr. Anderson, your wife sold real estate for some time, did she not?" I asked.

"Yes, she did." He replied. "And while the real estate business was good she was intensely interested in her work. However, after several years as a realtor she relinquished the business and again resumed her home and social duties.

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"As I told you in the beginning business is decidedly on the up-grade. Folks are beginning to enjoy many things that they had begun to think belonged to halcyon days long past.

"Well, I must say your last question changes the subject to a considerable degree. Yes, I have been a member of the Baptist Church for quite a number of years.

"My family is the only hobby I've ever had. I have concentrated my interest entirely on them.

"Surely, Mr. Anderson, a man who has taken such a prominent part in the business world must belong to several fraternal orders?" I questioned.

"No," he replied, "I guess it does seem somewhat strange to you, but I have never joined even one. I'll have to tell you about the only club I ever belonged to. It was just a social club and it was when I was a young fellow. The main motive was to get "our set" together and take a long walk in the country on Sunday afternoons. We enjoyed those little gatherings very much for awhile, until the boys and girls began to 'pair off' then they become engaged and finally several couples got married.

"In a short time interest in the club began to wane and later it was broken up.

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"My wife and I were married in 1906. We have four children - three girls and a boy. All of the girls are married and have families of their own. One of our daughters married a man from Buffalo, New York, and the other two are married and living here in Augusta. Our son has never married. After finishing his education at Buffalo, he decided to make his home there. So you see we have two children in New York.

"Our daughter who lives at Buffalo is married to a man whose business occasionally takes him to Europe. She always accompanies him on these trips.

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"At one time when their baby was six months old, hereceived orders to go abroad. His mother was visiting in Chicago while enroute to California. His wife refused to go with him on account of leaving the baby, but finally they decided to ask his mother to defer her trip until a later date and return home to take care of the baby for them. The baby had a very competent white nurse but my daughter felt that he must be in his grandmother's charge as well.

"I remember on one occasion when this girl of ours brought her family South to visit us they brought the baby's nurse with them. We realized immediately that she was no ordinary nursemaid. Our daughter explained that she was a penniless Russian baroness, 10 who had refugeed to America and that she was forced to use this means of earning a livelihood.

"Speaking of these European trips, I recall one instance when my daughter did quite some flying. She and her husband landed in Belgium. There was an invitation waiting for her to visit a friend who lived in Berlin. She flew over there and visited for a few days. Then she boarded a plane and flew to London where she joined her husband for the journey home.

"And now, I promised before we closed to give you my personal impressions as to the cause of the economic depression. It is my belief that inflated prices were at the bottom of the whole thing. The high prices had to come down and as soon as the demand lessened, prices came down in a hurry.

"As long as the United States was willing to extend credit to the European Nations they were anxious to buy. However, as soon as credit was no longer available they were forced to stop buying.

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“Now as you know Finland is the only nation who has met her obligations to America, and that is one reason why I feel that the United States should show her confidence in that valiant little country and render her every assistance in this - her time of distress.